IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No.133 of 1995

For Approval and Signature:
HONOURABLE MR.JUSTICE D.A.MEHTA Sd/-

HONOURABLE MS.JUSTICE H.N.DEVANI Sd/-

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1	Whether Reporters of Local Papers may be allowed to see the judgment ?
2	To be referred to the Reporter or not ?
3	Whether their Lordships wish to see the fair copy of the judgment ?
4	Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?
5	Whether it is to be circulated to the civil judge ?

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COMMISSIONER OF INCOME-TAX - Applicant(s)
Versus
TALIMI INVESTMENT PVT.LTD. - Respondent(s)

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Appearance :
MR MANISH R BHATT for Applicant(s) : 1,
MR BD KARIA for MR RK PATEL for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE D.A.MEHTA
and
HONOURABLE MS.JUSTICE H.N.DEVANI

Date : 22/12/2005

ORAL JUDGMENT

(Per : HONOURABLE MS.JUSTICE H.N.DEVANI)

1. The Income Tax Appellate Tribunal, Ahmedabad Bench “B”, has referred the following question under Section 256(1) of the Income-tax Act, 1961 (the Act) at the instance of the Commissioner of Income-tax :

> "Whether, on the facts and in the circumstances of the case, the Appellate Tribunal was right in law in holding that interest on redeemable bonds and convertible debentures attributable to the period under consideration was not includible in the total income of the assessee for A.Y. 1986-87?"

2. The Assessment Year is 1986-87 and the corresponding accounting period is the year ended on 30th June, 1985.

3. Heard Mr.M.R.Bhatt, learned Senior Standing Counsel on behalf of the applicant-revenue, and Mr.B.D.Karia, learned advocate on behalf of the respondent-assessee.

4. As can be seen from the order of the Tribunal, the Tribunal has followed its earlier decision in assessee's own case in relation to Assessment Years 1984-85 and 1985-86.

5. It is common ground between the parties that the aforesaid decision of the Tribunal had been carried before this Court by way of a reference being Income Tax Reference No.168 of 1995 wherein

this Court by an order of even date has answered the question in the affirmative i.e. in favour of the assessee and against the revenue.

6. Following the aforesaid decision of this Court, the question referred to this Court is answered in the affirmative i.e. in favour of the assessee and against the revenue.

7. The reference stands disposed of accordingly, with no order as to costs.

Sd/-
[D.A. MEHTA, J]

Sd/-
[H.N. DEVANI, J]

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*Bhavesh**